

Senate Study Bill 1133 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON LABOR AND BUSINESS
RELATIONS BILL BY
CHAIRPERSON SCHULTZ)

A BILL FOR

1 An Act relating to licensing sanctions against individuals
2 who default or are delinquent on student loan debt or on a
3 related service obligation.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 272.2, Code 2019, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 21. Adopt rules under chapter 17A to
4 prohibit the suspension or revocation of a license issued
5 by the board to a person who is in default or is delinquent
6 on repayment or a service obligation under federal or
7 state postsecondary educational loans or public or private
8 services-conditional postsecondary tuition assistance solely on
9 the basis of such default or delinquency.

10 Sec. 2. Section 272C.4, subsection 10, Code 2019, is amended
11 by striking the subsection and inserting in lieu thereof the
12 following:

13 10. Adopt rules under chapter 17A to prohibit the suspension
14 or revocation of a license issued by the board to a person
15 who is in default or is delinquent on repayment or a service
16 obligation under federal or state postsecondary educational
17 loans or public or private services-conditional postsecondary
18 tuition assistance solely on the basis of such default or
19 delinquency.

20 Sec. 3. REPEAL. Sections 261.121, 261.122, 261.123,
21 261.124, 261.125, 261.126, and 261.127, Code 2019, are
22 repealed.

23 EXPLANATION

24 The inclusion of this explanation does not constitute agreement with
25 the explanation's substance by the members of the general assembly.

26 This bill requires the state's licensing boards to adopt
27 administrative rules to prohibit the suspension or revocation
28 of a license issued to a person who is in default or is
29 delinquent on repayment or a service obligation under federal
30 or state postsecondary educational loans or public or private
31 services-conditional postsecondary tuition assistance solely on
32 the basis of such default or delinquency.

33 The bill eliminates Code provisions that authorize and
34 establish a process by which the college student aid commission
35 can initiate action to deny, revoke, or suspend any license

1 authorized by the laws of this state to any person who
2 has defaulted on an obligation owed to or collected by the
3 commission.

4 The provisions repealed by the bill establish procedures for
5 issuing notice to an individual in default, for the scheduling
6 of a conference between the individual and the commission, for
7 entering into a written agreement for payment of the obligation
8 which takes into consideration the individual's ability to pay,
9 for the individual to request a hearing, and for the issuance
10 of a certificate for noncompliance to any appropriate licensing
11 authority.

12 Provisions repealed by the bill require each licensing
13 authority to include in its rules, as grounds for suspension,
14 revocation, or denial of issuance or renewal of a license, the
15 receipt of a certificate of noncompliance from the commission;
16 require a licensing authority to initiate procedures for
17 suspension, revocation, or denial of issuance or renewal
18 of licensure to the individual; direct the supreme court
19 to prescribe rules providing for the denial, suspension,
20 or revocation of the admission to practice as an attorney
21 and counselor for failure to repay an obligation owed to or
22 collected by the commission; and permit the individual to seek
23 a review of the commission's decision and request a hearing
24 before the district court.